

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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COUNTRY	Rumania	REPORT	
SUBJECT	Consignatia Intreprinderea de Stat (State Secondhand Enterprise).	DATE DISTR.	30 April 1953
		NO. OF PAGES	3
DATE OF INFO.		REQUIREMENT NO.	RD
PLACE ACQUIRED		REFERENCES	

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This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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1. The Consignatia Intreprinderea de Stat (State Secondhand Enterprise) buys and sells all kinds of articles of value belonging to private owners. Goods include raw materials of various kinds, textiles, machinery, factory equipment, and materials stolen from state enterprises. They are sold at very low prices, and no attempt is made to discover the real owners. The main purpose is to restore these goods to the market.
2. The main office is located at Calea 30 Decembrie No. 40, Bucharest. There are ten branches in Bucharest; twelve additional offices are located at Iasi, Craiova, Ploesti, Constanta, Galati, Braila, Oradea, Timisoara, Arad, Cluj, Targu Mures, and Sibiu.
3. The enterprise has separate departments for various categories of goods. Each department works independently, but it exercises a check on other departments to prevent thefts. In each section, goods are appraised by four or five specialists, who are generally former businessmen.
4. The technical department deals in all kinds of machinery, tools, motors, and machine parts. A special section buys and sells X-Ray and other medical apparatus. The profits made by the technical department alone are sufficient to cover the administrative expenses of the whole enterprise. The department occupies large premises on Calea Doamnei, where eight or nine stores were remodelled with modern equipment. No questions whatever are asked about the nature of the goods brought for sale, although it is obvious that many of them must have been stolen from state enterprises. Prices are fixed much lower when the seller cannot prove that he obtained his goods legally.
5. The most important buyer from the technical department is the Danube-Black Sea Canal works, which buys automobile parts, motors, other machinery, pumps, and medical apparatus for its clinics and ambulances.
6. The jewelry department, located in the Carpati Palace and called Consignatia Republicii, employs ten jewelry experts who appraise items at very low rates. The activities of this department are almost entirely restricted to purchasing.

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Only diplomats or persons in very high positions, who have nothing to fear, can afford to buy jewelry. Most of it is bought for the State Bank.

7. The textile department is also located in the Carpati Palace. It deals in both new and worn clothing, textiles (including whole trousseaus and bales of stolen or hidden cloth), and furs.
8. The furniture department occupies two large stores on Calea Victoriei, one near the former Nestor Cafe and the other on the opposite side of the street in the Athene Palace building.
9. Department A. 38, which specializes in equipment and installations taken from expropriated estates, is located at Mogosoaia, near Bucharest, in a former oil distribution depot. This department receives machinery, household goods, and jewelry confiscated from estates. In the fall of 1950, in accordance with a new regulation issued by the Council of Ministers (No. A38) the last privately-owned estates-farms up to 50 hectares and vineyards and model farms up to 100 hectares were suddenly expropriated, although they had been exempted under the original land expropriation order. The owners were permitted to take nothing but a suitcase and 5,000 lei per family in cash. Very large quantities of valuable personal effects and agricultural machinery thus passed to the department for sale in favor of the Government.
10. A branch dealing in ornaments and objets d'art is located on Calea Edgar Quinet. The department for pictures and other art objects is located on Bulevardul Magheru.
11. Preference in purchasing goods is given to members of the Central Committee, Party members who have received some special distinction, custom officers, and employees of Consignation. The remainder is sold to Party members only.
12. There are three stores in working districts where cheap new and used furniture is sold to Party members. The shops are located on Calea Grivitei, Calea Vacaresti, and on Calea Mihai Bravu, Obor.
13. Persons wishing to sell goods to the enterprise must bring them to a place on Calea Edgar Quinet, where ten appraisers accept objects brought in. Where necessary, experts are sent out to examine and value heavy items on the spot. Sellers may collect their money 24 hours after the goods have been delivered from a cashier on Calea Smardan.
14. Sellers must fill in a form with an exact description of the item in question. If they are unable to prove their legal ownership, 13 percent of the estimated value of the object is deducted, and a clause is filled in on the back of the form, which states that the seller alone and not the enterprise can be held answerable for the origin of the item. No investigations are made, and it is assumed that about half the technical equipment has been stolen.
15. Before being put on sale each item is provided with a label bearing a serial number, the purchase date, purchase price, and sale price. It then is put on display in the appropriate department. The sales centers where the goods are displayed and sold are well furnished and attractive.
16. Receipts are made out in three copies and include all details referred to above and an exact description of the item. One copy goes to the seller, the second to the department in which the item will be sold, and the third to the bookkeeping department.

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17. All sales are entered in a day-book, which is sent daily to the appropriate sales departments and the bookkeeping department. When an item is sold its number is crossed off the file and its index card destroyed. The daily records of purchases, showing exact calculations, enable the Ministry of Finance to check whether all taxes have been properly paid.
18. Sale prices are calculated as follows: purchase price plus 10 percent commission, 3 percent administrative costs, 24 percent sales tax, and 6 percent luxury tax.
19. Lists, giving the sales prices equivalent to any purchase price, have been worked out separately for each department to facilitate calculation.
20. The principal customers of the enterprise are factories, workshops, cooperatives, factory institutions, clubs, societies, and prominent Party members. Luxurious furniture (such as radios and refrigerators), is supplied to private homes and to institutions and clubs.
21. The organization has a total of 300 employees in all Rumania. The management consists of former workers who are expected to keep in mind the main political purpose of the enterprise: the expropriation of the middle class citizen for the benefit of the general public and Party members.
22. In 1951 the Consignatia bought goods valued at 1,3000,000,000 lei (before the 1952 currency reform). The net profit was 145,000,000 lei, the machinery department alone making a profit of 60,000,000 lei.
23. The following personalities are known:

a. Hugo Baranca. general manager

b. Florescu (fnu), administrative director

c. Chaim Spirescu. chief-accountant

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It is reported that a general purge took place in the Consignatia in July 1952 and the entire management was arrested because of irregularities in administration.

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